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THE WALL STREET JOURNAL.

DOW JONES | News Corp * * * * * * FRIDAY, SEPTEMBER 28, 2018 ~ VOL. CCLXXII NO. 75 WSJ.com ★★★★ $4.00

DJIA 26439.93 ▲ 54.65 0.2% NASDAQ 8041.97 ▲ 0.6% STOXX 600 386.38 ▲ 0.3% 10-YR. TREAS. ▲ 2/32, yield 3.054% OIL $72.12 ▲ $0.55 GOLD $1,182.30 ▼ $12.10 EURO $1.1643 YEN 113.38

What's News

Business & Finance

The SEC is seeking to force Tesla CEO Musk out of the company, alleging he misled shareholders when he tweeted that he had funding for a possible buyout. **A1**

◆ **Petrobras agreed** to an $853.2 million settlement with U.S. and Brazilian authorities to end corruption probes. **A1**

◆ **Federal prosecutors** in Manhattan have opened a probe into media-buying practices in the ad industry. **B1**

◆ **KKR agreed** to sell a majority stake in European telecom operator United Group to U.K. rival BC Partners. **B1**

◆ **JPMorgan is considering** changes to its emerging-markets bond-index franchise. **B1**

◆ **Banks and brokerages** are winning more battles with big stock-market operators over the cost of data. **B1**

◆ **Sanctions on Russia's** Rusal have pushed up prices for alumina, eating into the profits of U.S. aluminum makers. **B3**

◆ **Stocks rose**, with the S&P 500 and Nasdaq gaining 0.28% and 0.65%, respectively. The Dow added 54.65 points. **B11**

◆ **Bitmain Technologies**, the world's largest cryptocurrency mining firm, plans to pursue an IPO in Hong Kong. **B10**

◆ **Bezos startup Blue Origin** won a contract to provide engines for a potential rival's next-generation rocket. **B4**

World-Wide

◆ **Supreme Court nominee** Brett Kavanaugh and Christine Blasey Ford, who accused him of sexual misconduct, testified in an often-wrenching Senate hearing that highlighted many of the nation's raw divisions. **A1, A4-5**

◆ **The administration ran** head-on into Russian opposition to its Korea denuclearization plans, as Lavrov called for the easing of U.N. sanctions against Pyongyang. **A1**

◆ **Israel's Netanyahu**, in a U.N. address, accused Iran of secretly housing nuclear materials and equipment. **A7**

◆ **Several Democrats** in Congress expressed discontent with the administration's move to proceed with a new Nafta without Canada. **A2**

◆ **Trump postponed** a meeting with Rosenstein, signaling that the deputy attorney general will remain on the job for the time being. **A2**

◆ **House Republicans** are poised to pass an extension of individual tax cuts in their final legislative push before midterms. **A3**

◆ **Google and other** tech firms were accused by critics at a congressional hearing of being dismissive of the free-speech rights of conservatives. **A3**

◆ **Italy's government** has significantly widened its budget-deficit target to fund its electoral promises. **A16**

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Stark Divide, Raw Emotion

FROM LEFT: MICHAEL REYNOLDS/PRESS POOL; SAUL LOEB/PRESS POOL

'100%'

Christine Blasey Ford's response when asked, 'With what degree of certainty do you believe Brett Kavanaugh assaulted you?'

Kavanaugh and Ford give sharply different accounts at Senate committee hearing

Supreme Court nominee Brett Kavanaugh and Christine Blasey Ford, who accused him of sexual misconduct, testified for a more than eight hours in an often-wrenching hearing Thursday that highlighted and exposed many of the nation's raw divisions.

By Janet Hook, Kristina Peterson and Natalie Andrews

The hearing, before the Senate Judiciary Committee, laid bare the enormous stakes as the GOP tries to advance a nomination that would tilt the high court to the right and Democrats push for a thorough investigation into sexual-misconduct allegations in the wake of the #MeToo movement. Hovering over the proceedings were the coming November elections, which will determine control of Congress and the Trump administration's ability to advance its agenda.

Shortly after the conclusion of the hearing, President Trump, who has forcefully defended his nominee, described the judge's testimony as "powerful, honest and riveting" in a

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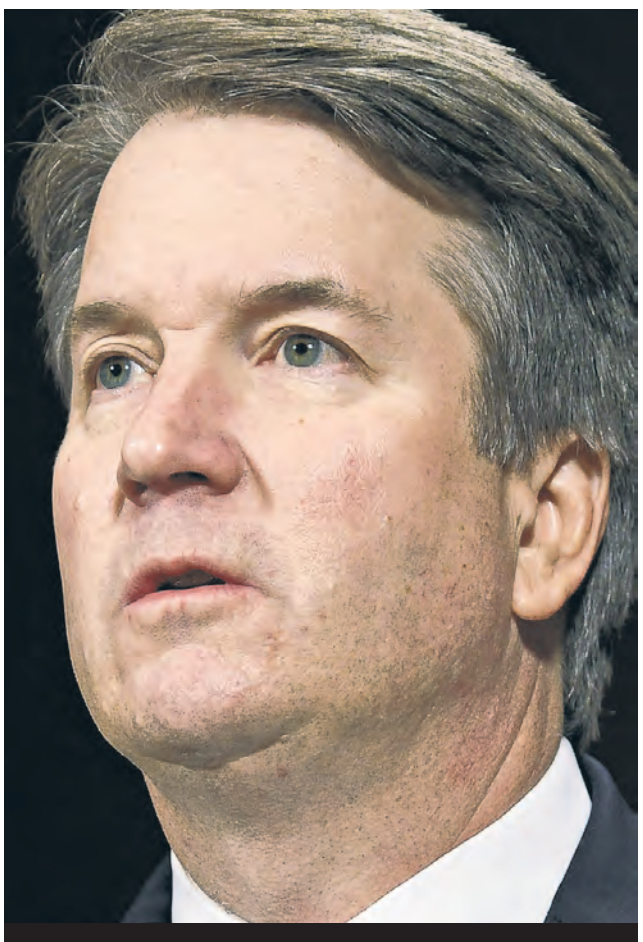

'You'll never get me to quit. Never...I've never sexually assaulted anyone.'

Brett Kavanaugh

SEC Sues to Oust Musk From Tesla Over Tweets

U.S. securities regulators on Thursday sought to force Tesla Inc. Chief Executive Elon Musk out of the company he helped get off the ground about 15 years ago, alleging he misled shareholders when he tweeted he had funding for what would have been the largest-ever

By Dave Michaels, Susan Pulliam, Tim Higgins and Michael Rapoport

corporate buyout.

The complaint filed by the Securities and Exchange Commission came after a last-minute decision by Mr. Musk and his lawyers to fight the case rather than settle the charges.

The filing by the SEC in federal court in Manhattan threatens to deal a severe blow to the Palo Alto, Calif., electric car maker. Its brand and Mr. Musk are closely intertwined, and analysts have said the company's roughly $50 billion market value is driven by Wall Street's appreciation for Mr. Musk's vision and skill as an innovator.

Tesla wasn't named in the suit as a defendant, but the SEC is seeking to bar Mr. Musk, Tesla's largest shareholder and its top executive, from serving as an officer or director of any U.S. public company. Tesla shares, which have been under intense pressure amid questions about the firm's financial strength and Mr. Musk's behavior, tumbled 9.9% to $277 in after-hours trading Thursday on Nasdaq.

"This unjustified action by the SEC leaves me deeply saddened and disappointed," Mr. Musk said in a statement. "I have always taken action in the best interests of truth, transparency and investors. Integrity is the most important value in my life and the facts will show I never compromised this in any way."

Tesla and its board said in a statement they were "fully confident in Elon, his integrity, and his leadership of the company."

The SEC had crafted a settlement with Mr. Musk—approved by the agency's commissioners—that it was preparing to file Thursday morning when Mr. Musk's lawyers called to tell the SEC lawyers in San Francisco that they were no longer interested in proceeding with the agreement, according to people familiar with the matter. After

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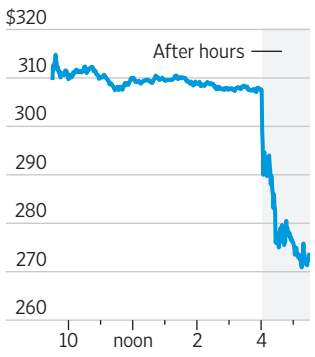
◆ Heard on the Street: Tesla's moment of reckoning..... B12

Deceleration

Tesla shares slid in after-hours trading Thursday on news that securities regulators sued CEO Elon Musk for fraud.



Source: FactSet

THE WALL STREET JOURNAL.

Russia and U.S. Clash On Pyongyang Curbs

By Jessica Donati

UNITED NATIONS—The Trump administration worked to move ahead on its top diplomatic priority—the denuclearization of North Korea—but ran head-on into opposition to its plans from Russia, which called for the easing of United Nations sanctions against Pyongyang.

The proposal by Russian Foreign Minister Sergei Lavrov at the U.N. Security Council ran directly counter to the U.S. demand that countries maintain strong economic pressure aimed at forcing the country to give up its nuclear weapons.

While the U.S. could veto any proposal to lift sanctions, and most countries on the 15-member Security Council spoke in favor of strictly enforcing sanctions, the remarks undermined a united international message to North Korea at a time when the U.S. and U.N. have found

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◆ Netanyahu, at U.N., says Iran has secret nuclear stash..... A7

Brazil's Oil Giant Pays $853 Million in Probe

By Aruna Viswanatha And Jeffrey T. Lewis

Brazilian oil company Petrobras has agreed to an $853.2 million settlement with U.S. and Brazilian authorities to end yearslong investigations tied to one of the biggest corruption schemes ever uncovered.

Petróleo Brasileiro SA, as the company is formally known, said Thursday it would pay $682.6 million to a special fund in Brazil, which prosecutors will allocate for programs promoting transparency and compliance. An additional $170.6 million will be equally split between the U.S. Justice Department and the U.S. Securities and Exchange Commission.

The corruption scandal at the state-controlled oil producer erupted in 2014 when Brazilian prosecutors first announced their investigation

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Pro Athletes Stung by the Play of Their Video Doubles

* * *

Some complain their videogame avatars don't measure up

By Sarah E. Needleman

God was said to make Adam out of clay. Dustin Smith's creations are built from zeros and ones, but he probably hears many of the same complaints.

Mr. Smith is the ratings czar for the popular videogame series Madden NFL, responsible for imbuing the digital doppelgängers of real-life National Football League players with varying levels of speed, strength and agility. Like most people, players want more.

"My little brother, he always says, 'Why do they make you so slow?' " Baltimore Ravens safety Tony Jefferson said. Mr. Jefferson, himself a longtime Madden player, beseeched Mr. Smith in a private Twitter message last year, saying he deserved a higher score for speed.

Tony Jefferson

Mr. Smith, who works for Madden publisher Electronic Arts Inc., told him to prove it.

"I was like, come on now, do I really have to pull up tape?" said Mr. Jefferson, 26 years old, who nonetheless sent some NFL game highlights.

Mr. Smith bumped up Mr. Jefferson's speed score two points, to 85 out of a possible 99. Mr. Jefferson said he wasn't satisfied but let it go.

"You don't get hardly any praise in this job," Mr. Smith

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INSIDE

KAREN BLEIER/AFP/GETTY

FUR FLIES OVER CANCELED GRIZZLY HUNT

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HOME SWEET HOTEL

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